

**LEGAL VIDHIYA PRESENTS:
TAXATION LAW QUESTIONS
FROM PREVIOUS AIBE EXAMS**

LEGAL VIDHIYA

D. 186 days

AIBE XVIII

1. Which of the following provision of the Constitution of India states that no tax can be levied or collected except by authority of law?

A. Article 246

B. Article 256

C. Article 260

D. Article 265

2. Which of the following would be the first previous year in case of a business or profession newly set up on 31st March, 2020 as per the Income Tax Act, 1961?

A. Start from 1st April, 2019 and will end on 31st March, 2020.

B. Start from 31st March, 2020 and will end on 31st March, 2020.

C. Start from 1st April, 2020 and will end on 31st December, 2020.

D. Start from 1st January, 2020 and will end on 31st March, 2020.

3. As per the Income Tax Act, 1961 a person is said to be resident of India in any previous year if he had been in India for a period of the following number of days in the previous year:

A. 180 days

B. 182 days

C. 184 days

4. Income is defined under which of the following provision of the Income Tax Act, 1961?

A. Section 2(31)

B. Section 2(24)

C. Section 2(9)

D. Section 3

AIBE XVII

1. Mr. Kapoor purchased a residential house in January, 2021 for 80,00,000. He sold the house in April, 2022 for 94,00,000. In this case, the gain of 14,00,000 arising on account of sale of residential house will be charged to tax under which of the following head?

(A) **Income from capital gains**

(B) Income from house property

(C) Income from profits and gains from business or profession

(D) Income from other sources

2. Mr. Manjot is a trader supplying goods from his M/s Singh Traders. The office of the firm is located in Delhi whereas its godowns are located in the State of Uttar Pradesh, Punjab and Jammu & Kashmir (J&K) respectively. M/s Singh Traders made following intra-state supplies from different States during the current financial year. Ascertain the States in which Mr. Manjot is required to take

registration under GST.

- (A) Delhi, Punjab, Uttar Pradesh and J&K
- (B) **Delhi, Uttar Pradesh and J&K**
- (C) Delhi and Uttar Pradesh
- (D) Delhi

3. The primary GST slabs for any regular taxpayers are presently pegged at:

- (A) 0%, 5%, 12%, 18%, 26%
- (B) 0%, 6%, 12%, 18%, 28%
- (C) **0%, 5%, 12%, 18%, 28%**
- (D) 0%, 5%, 12%, 16%, 28%

4. For an individual to be deemed to be resident in India in any previous year one of the condition is:

- (A) **If he is in India for a period of 182 days or more during the previous year.**
- (B) If he is in India for a period of 180 days or more during the previous year.
- (C) If he is in India for a period of 181 days or more during the previous year.
- (D) If he is in India for a period of 360 days or more during the previous year.

AIBE XVI

1. Health and education cess is applicable to

(A) **All assesses**

- (B) All assesses except company
- (C) Individual / HUF
- (D) Company only

2. Rate of additional Depreciation will be under section 32, Indian Income Tax Act

- (A) 10%
- (B) **20 %**
- (C) 15 %
- (D) 30 %

3. Amount of deduction under section 24 of The Income Tax Act from annual value is:

- (A) 1/2 of Annual Value
- (B) 1/3 of Annual Value
- (C) **3/10 of Annual Value**
- (D) 17/10 of Annual Value

4. A company which is not a domestic company will pay income tax at the rate of:

- (A) 25%
- (B) 30%
- (C) **40%**
- (D) 20%

AIBE XV

1. According to Income Tax Act "zero coupon bond" means a bond

- (A) issued by any infrastructure capital

company or infrastructure capital fund or public sector company or scheduled bank on or after the 1st day of June, 2005

(B) in respect of which no payment and benefit is received or receivable before maturity or redemption from infrastructure capital company or infrastructure capital fund or public sector company or scheduled bank

(C) which the Central Government may, by notification in the Official Gazette, specify in this behalf.

(D) **All of the above**

2. The definition of 'money' under GST law does not include

(A) Letter of Credit

(B) **Currency held for numismatic value**

(C) Pay order

(D) Traveler cheque

3. Under Article 279A GST Council is constituted by

(A) Prime Minister and his Council of Ministers

(B) Respective Governors of the State

(C) **The President**

(D) A collective body of Union and States

4. Provisions relating to GST are inserted in the Constitution by

(A) **The Constitution (one hundred and first) Act 2016**

(B) The Constitution (one hundred and

second) Act 2016

(C) The Constitution (eighty fourth) Act 2016

(D) The Constitution (seventy seventh) Act 2016

AIBE XIV

1. For the first time in India Income Tax was introduced by Sir James Wilson in the year:

(A) 1886

(B) 1868

(C) **1860**

(D) None of the Above

2. The Principle of Law of Taxation that "No Tax shall be levied or collected except by authority of law". It is contained under:

(A) **Article 265 of the Constitution**

(B) Article 300 of the Constitution

(C) Article 19(1)(g) of the Constitution

(D) Article 285 of the Constitution

3. Under which section of Income Tax Act "Income of other persons are included in assessee's total income"

(A) Section 56-58

(B) Section 139-147

(C) Section 246-262

(D) **Section 60-65**

4. In which case Justice J.C. Shah of S.C. observed "since by the exercise of the

power a serious invasion is made upon the rights, privacy and freedom of the tax payer, the power must be exercised strictly in accordance with law and only for the purpose for which law authorises it to be exercised”.

- (A) Director of inspection V/s Pooranmal
- (B) **ITO V/s Seth Brothers**
- (C) P.R. Metrani V/s CIT
- (D) None of the above

AIBE XIII

1. Under which Section of Income tax Act, 1961 'Income of other persons included in Assessee's total income':

- (A) 56-58
- (B) **60-65**
- (C) 45-54
- (D) All of the Above

2. A period of 12 Months commencing on the 1st day of April of every year is known as:

- (A) **Assessment year**
- (B) Leap year
- (C) Previous year
- (D) None

3. Adam Smith has enumerated cannons of taxation which are accepted universally:

- (A) Equality and Certainty
- (B) **Equality, convenience and Economy**

(C) Equality and Economy

(D) **Equality, Certainty, Convenience and Economy**

4. For the first time in India income tax law was introduced by Sir James Wilson in the year:

- (A) 1886
- (B) 1858
- (C) **1860**
- (D) None of the Above

AIBE XII

1. GST Came into force from

- (A) 1st January 2017
- (B) 1st April 2017
- (C) **1st July 2017**
- (D) 1st August 2017

2. Section 29 of the Wealth Tax Act deals with

(A) Revision petition in division bench of high court

(B) **Appeal in Supreme Court**

(C) Return of Wealth Tax

(D) None of the above

3. Permanent Account Number (PAN) is defined under

(A) **Wealth Tax**

(B) GST

(C) **Income Tax Act 1961**

(D) Finance Act 1992

(C) Voluntary contribution received by a Trust for charitable purpose

(D) **All of the above**

AIBE XI

1. Income Tax Act was enacted in

(A) 1951

(B) **1961**

(C) 1971

(D) None of the above

2. Section 154 under IT Act is

(A) For filing return of Income

(B) For filing return with late fee

(C) **Rectification of Mistakes**

(D) Appeal against the order passed by the ITO

3. Which of the following is not included in the Capital Asset under Section 2(14) of Income Tax Act

(A) Any stock in Trade

(B) Special Bearer Bonds 1991 issued by Central Government

(C) **(a) and (b)**

(D) None of the above

4. 'Income is defined under S.2(24) of the Income Tax Act, as

(A) Profits and gains

(B) Dividend

AIBE X

1. Income which accrue or arise outside India but are directly received into India are taxable in case of:

(A) Residents only

(B) Both ordinarily residents and non-resident

(C) Non-resident

(D) **All the assesses**

2. In case of a co-operative society the maximum amount on which income tax is chargeable is

(A) 50,000

(B) 30,000

(C) 20,000

(D) **Nil**

3. An appeal to the high court against the order of ITAT Should be filed within

(A) 45 days when the order is communicated

(B) **60 days when the order is communicated**

(C) 90 days when the order is communicated

(D) 120 days when the order is communicated

4. Which of the following belong to the

category of direct tax

(A) Goods and Service Tax

(B) Excise duty and Custom duty

(C) **Income Tax and Gift Tax**

(D) All of the above

